Remarks/Arguments:

The specification was objected to for failure to use the proper wording for incorporation by reference; the specification has been amended to correct this error. A Substitute Specification, correcting numerous typographical, spelling and grammatical errors, adding the terms and phrases that have been removed from the Drawings, adding the reference numbers that have been added to the Drawings, and correcting the incorrectly phrased incorporation by reference is provided. No new matter has been added.

Claim 7 was objected to as being unclear. Claim 7 has been amended for clarity.

Claims 3 and 5 were rejected under 35 U. S. C. 112, second paragraph, as being indefinite for failing to point out and distinctly claim the subject matter which applicants regard as their invention. Claim 3 has been amended for clarity; claim 5 has been made dependent on claim 1.

Claims 1-2, 4, 7, and 9-12 were rejected under 35 U. S. C. 102(b) as being anticipated by Johnson, *et al.* (USPN 4,790,386). Claim 1 has been amended to show that the produced fluids may flow through the container; support is found in paragraph [0013]. Claim 2 (as amended for clarity) teaches that the container is a meshed or mesh-like basket. The container of Johnson is open only at the upper end and the outer surface of the container walls is coated with a barrier to prevent fluid access so the produced fluids are gradually released from the top end and cannot flow through the container. Furthermore, Johnson's container was designed to work only in the presence of a corrosive fluid that slowly dissolves the container (column 2, lines 42-54). Johnson's container clearly cannot be reused.

Claims 1, 4, 6-7, and 9-10 were rejected under 35 U. S. C. 102(b) as being anticipated by Burkhardt *et al.* (USPN 3,104,716). Applicants respectfully disagree. The

chemical to be released in Burkhardt is a liquid, and the device is designed to release small amounts of the liquid by displacement of the liquid in the container by produced connate water. Produced connate water cannot flow through the container because the container has an oil-wet permeable membrane as its outlet. The present invention employs a slow-release chemical that is released into production fluid that may flow through it and the basket that contains it.

Claim 8 was rejected under 35 U. S. C. 103(a) as being unpatentable over Burkhardt. The Examiner suggests that since the device of Burkhardt and its use are complicated, and since Burkhardt does not say it cannot be re-used, then one of ordinary skill in the art would be motivated to re-use it. Applicants respectfully disagree. That conclusion requires hindsight (the teaching that a device for delivering scale inhibitor could be reused) and many assumptions. One could just as readily argue that since the Burkhardt device is used in a corrosive environment it could not be re-used and one of ordinary skill in the art would not consider re-using it. Furthermore, that none of the cited references teaches re-use makes it clear that re-use is not obvious.

Claim 3 was rejected under 35 U. S. C. 103(a) as being unpatentable over Johnson in view of Kuegemann *et al.* (USPN 3,347,797). The Examiner contends that Johnson discloses delivering a chemical from a container (although applicants showed above that Johnson's container is unlike theirs) and Kuegemann discloses delivering a container into a wellbore. However, applicants have already explained how their method and container differ from Johnson's. Kuegemann says that "Feed solutions of corrosion inhibitors being tested were stored in stainless steel containers and fed continuously into the cooling tower by a positive displacement pump." The solutions were fed into the tower, not the containers; a positive displacement pump is commonly used to displace a fluid from a container. Furthermore, Kuegemann's environment is an open recirculating evaporative cooling tower, which is unlike a producing wellbore in any respect.

Claims 10-12 were rejected under 35 U. S. C. 103(a) as being unpatentable over Hen (USPN 5,604,185) in view of Burkhardt. The Examiner contends that it would be obvious to use Burkhardt's method to deliver Hen's scale inhibitor. Applicants explained above that they are not using Burkhardt's method to deliver the scale inhibitor. Furthermore, Hen (and all the references cited in Hen's specification) places the scale inhibitor "on the surfaces of the reservoir rock formation" (column 2, lines 31-32), also described as "in the well reservoir" (column 2, line 38) as opposed to inside the wellbore as in the present invention.

Claims 13-15 were rejected under 35 U. S. C. 103(a) as being unpatentable over Moradi-Araghi *et al.* (USPN 6,387,986) in view of Johnson. The method of Johnson is unlike the current method as explained above. The structure of Johnson's container is unlike that of the present container, the mode of operation is different, and it is designed to work only when the well fluid is corrosive (column 3, lines 64-65). Furthermore, Johnson says the treatment composition to be released should be "provided in nonporous form so as to form a barrier to the travel of well fluid through the composition" (column 4, lines 24-25). Applicants interpret that to mean that the well fluid cannot flow through the treatment composition, as opposed to the present invention in which the well fluid flows through the treatment composition. Well fluid (produced water) is clearly intended to pass through the contained treatment chemical in the present invention, because in one example the chemical is "delivered in the form of porous ceramic particles" (paragraph [0023]).

In light of the above amendments and remarks, Applicants respectfully request that a timely Notice of Allowance be issued in this case.

The Commissioner is authorized to charge any additional required fee, or credit any excess fee paid, to Deposit Account 04-1579 (56.0719).

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Respectfully submitted,

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